

State of Co-ops in Minneapolis

CO-OP TECHNICAL ASSISTANCE PROGRAM



C TAP

A program of:
BUSINESS TECHNICAL ASSISTANCE PROGRAM
Supporting Business Growth in the City of Minneapolis

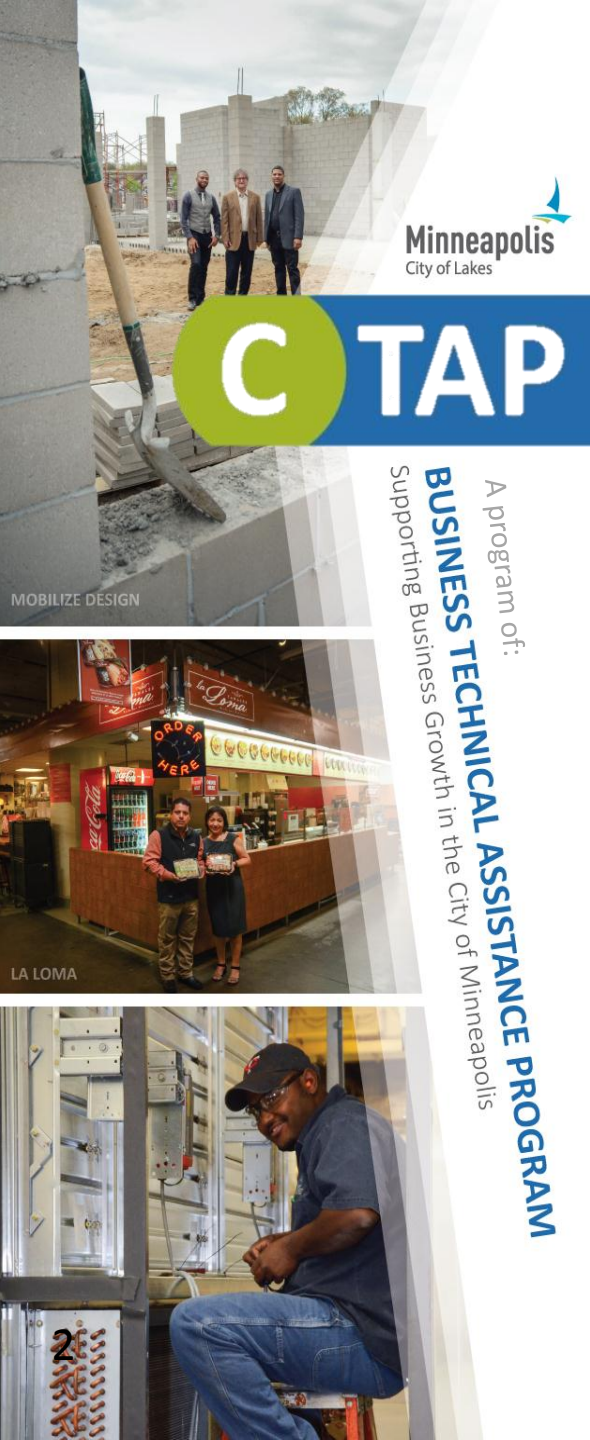
AGENDA

- 5:30 Check-In
- 5:45 Presentation
 - Introduction
 - Welcome
 - Why is the City involved?
 - State of Co-ops in Minneapolis
 - Co-op presentation by Fair State Brewery Co-op
 - Introduction to the City's Co-op Technical Assistance Program (C-TAP)
- 6:30 Reception and Networking
- 7:30 Close

Happy hour sponsored by:
Cooperative Development Services (CDS)



C TAP



STATE OF CO-OPS IN MINNEAPOLIS

CO-OP TECHNICAL ASSISTANCE PROGRAM

WELCOME!



“The more generous we are, the more joyous we become. The more cooperative we are, the more valuable we become. The more enthusiastic we are, the more productive we become. The more serving we are, the more prosperous we become.”

William Arthur Ward

PROGRAM DESIGN

Why is the City involved?

By creating this new program, the City desires to leverage the co-op model for maximum community benefit to:

1. Support economic development and job creation, reduce poverty, and promote social cohesion
2. Increase racial and ethnic diversity and community ownership among local businesses
3. Promote innovation, community building, and local investment through a collaborative business model



STATE OF CO-OPS IN THE CITY OF MINNEAPOLIS


Tom Pierson, Co-op Consultant

- Inventory and characterization of co-ops
- Assessment of opportunities and challenges related to forming a co-op



WHAT IS A CO-OP?

co-op

/ˈkō,äp/ 

noun informal

noun: **co-op**; plural noun: **co-ops**

a cooperative society, business, or enterprise.

Origin

mid 19th century: abbreviation.

co·op·er·a·tive

/kō'äp(ə)rədɪv/

adjective

1. involving mutual assistance in working toward a common goal.
"every member has clearly defined tasks in a cooperative enterprise"
synonyms: collaborative, collective, combined, common, joint, shared, mutual, united, concerted, coordinated
"a cooperative effort"

noun

1. a farm, business, or other organization that is owned and run jointly by its members, who share the profits or benefits.
synonyms: complex, commune, collective; joint venture, cooperative enterprise; credit union; pool; informal co-op
"a housing cooperative"

COOPERATIVE CHARACTERISTICS

- Values-based business model, rooted in community self-determination
- Functional principles
 - Mutual ownership
 - Democratic control
 - Participation determines profit share
- May be formally incorporated as a co-op and/or qualify for co-op tax status
- Many profit-sharing and “employee-ownership” models don’t meet all criteria



GLOBAL SCOPE AND SCALE OF THE BUSINESS MODEL

- Operate in all business sectors
- 1 billion+ members in 145 countries
- Largest 300 cooperative globally have combined revenue of \$2.36 trillion

U.S SCOPE AND SCALE OF THE BUSINESS MODEL

- 30,000 co-ops
- 350 million members
- \$500 billion in revenue/year
- \$75 billion in wages/year
- \$79 billion in profit distributed/year

SCOPE AND SCALE OF THE BUSINESS MODEL

Co-ops five States comparison

	Number of Co-ops	Wages (millions \$)	Assets (millions \$)	Revenue (millions \$)	Members (thousands)	Employees (thousands)
Minnesota	1023	1622.7	90025.9	34049.0	3417.3	46.0
Wisconsin	649	784.7	24773.7	8601.4	2661.0	19.0
Iowa	458	577.0	11611.0	9133.3	1375.3	13.7
North Dakota	320	254.2	11302.4	4090.9	491.0	7.5
South Dakota	260	221.2	4077.9	2518.3	507.1	4.3

	2010 Census State	State Residents/Co-op	Assets (member \$)	Revenue/ (member \$)	Co-op Members as % of population
Minnesota	5,303,925	5,185	26,344	9,964	64%
Wisconsin	5,687,289	8,763	9,310	3,232	47%
Iowa	3,046,869	6,653	8,443	6,641	45%
North Dakota	672,591	2,102	23,019	8,332	73%
South Dakota	814,191	3,132	8,042	4,966	62%

Source: University of Wisconsin Center for Cooperatives, Research on the Economic Impact of Cooperatives, 2009.

METHODOLOGY FOR MINNEAPOLIS CO-OPS INVENTORY

- Minnesota Secretary of State
- Co-op directories by industry/sector
- Census data from UW Center for Co-ops study

INVENTORY FINDINGS

- Number of Minneapolis co-ops: 118
 - 37 are registered addresses
 - 35 are housing co-ops



ACTIVE COOPERATIVES IN MINNEAPOLIS (46)

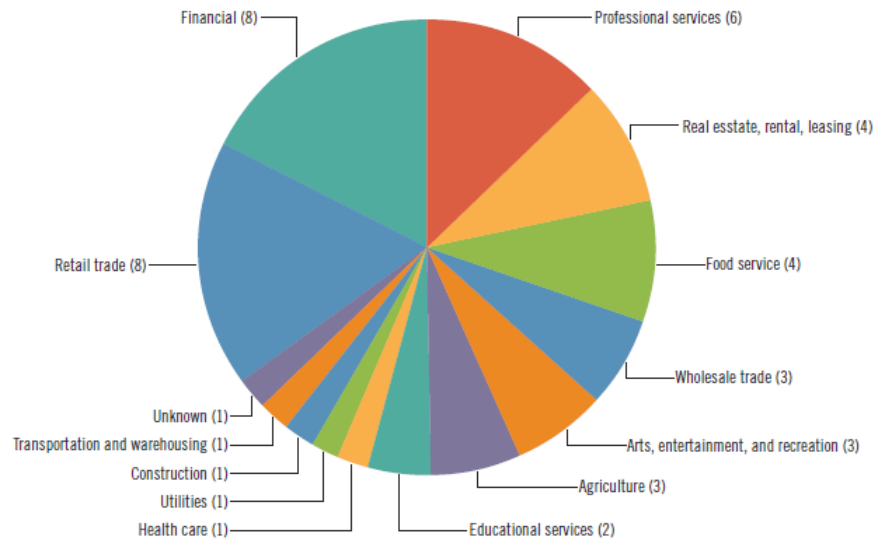
Cooperative	Address	Zip	Statutory entity type	Sector (based on NAICS)	Other notes
Collectivity	800 N Washington Ave, #500	55401	co-op	professional services	unknown
Common Properties Management Cooperative	219 Main St, Suite 500	55414	co-op	professional services	consumer membership
Community Table Association of Cooperatives	3537 4th Ave S	55408	co-op	agriculture	unknown
Cooperativa Mercado Central, Inc.	1515 E Lake St, Suite 118	55407	co-op	real estate, rental, leasing	consumer membership
Cooperative Energy Futures	c/o Do It Green! MN, 920 E. Lake St	55407	co-op	utilities	hybrid membership
Cooperative of Latin American Growers (CLAG)	3533 2nd Ave S	55408	co-op	agriculture	unknown
Diversified Credit Union	800 LaSalle Ave, Suite 104	55402	state C.U.	financial	consumer membership
Eastside Food Cooperative	2551 Central Ave NE	55418	co-op	retail trade	consumer membership
Electric Machinery Employees Credit Union	800 Central Ave NE	55413	state C.U.	financial	consumer membership
Everspring Health	2201 Hennepin Ave	55405	co-op	health care	unknown
Extreme Noise	407 West Lake St	55408	business corporation	retail trade	worker membership
Fair State Brewing Cooperative	2506A Central Ave NE	55418	co-op	food service	consumer membership
For the Horde Cooperative	400 S 4th St, #401	55415	co-op	real estate, rental, leasing	consumer membership
Fraternity Purchasing Association	2221 University Ave SE - Suite 111	55414	co-op	wholesale trade	consumer membership
Global Village Cooperative, Inc.	location TBD		co-op	educational services	unknown
Griesel Cooperative	5151 Humboldt Ave N	55430	co-op	professional services	unknown
Hard Times Cafe	1821 Riverside Ave	55454	business corporation	food service	worker membership
Independent Natural Food Retailers Cooperative	2727 26th Ave S	55406	co-op	wholesale trade	consumer membership
Latvian Credit Union	3152 17th Ave S	55407	state C.U.	financial	consumer membership
Linden Hills Community Cooperative, Inc.	3815 Sunnyside Ave	55410	co-op	retail trade	consumer membership
Make Cooperative	3349 Irving Ave S	55408	co-op	real estate, rental, leasing	consumer membership
Midland Co-op Credit Union	5210 Central Ave NE, Suite 200	55421	state C.U.	financial	consumer membership
Millie and Vivian (Matchbox Cafe)	1306 2nd St. NE	55413	co-op	food service	worker membership
Minnesota Climbing Cooperative	1620 Central Ave. NE	55413	co-op	arts, entertainment, and recreation	consumer membership
Minnesota Elderberry Cooperative	3520 East 33rd St.	55406	co-op	agriculture	producer membership
New Century I Community Lending Cooperative	5701 Portland Ave. S	55417	co-op	financial	unknown

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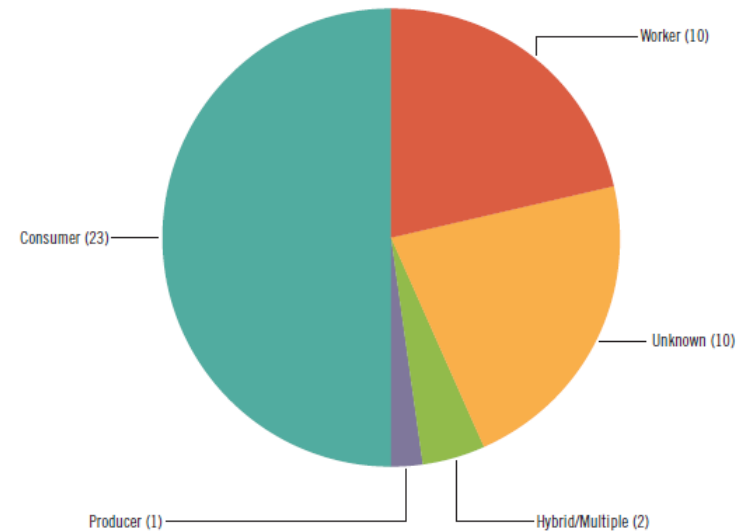
Cooperative	Address	Zip	Statutory entity type	Sector (based on NAICS)	Other notes
Northcountry Cooperative Development Fund, Inc.	2600 East Franklin Ave, #2	55406	co-op	financial	consumer membership
Northeast Investment Cooperative	2506 Central Ave NE	55418	co-op	real estate, rental, leasing	consumer membership
Northern Cargo Association	1912 Broadway St NE	55413	co-op	transportation and warehousing	consumer membership
Original Gift	location TBD		co-op (foreign)	wholesale trade	worker membership
People's Movement Center	736 41st St S	55408	LLC	professional services	worker membership
Principle Six (P6) Cooperative Trade Movement	2601 E Franklin Ave	55406	co-op	professional services	consumer membership
Radical Roots Collective (Seward Community Cafe)	2129 E Franklin Ave	55406	non-profit	food service	worker membership
Seward Child Care Center	2323 32nd Ave S	55406	non-profit	educational services	hybrid membership
Seward Community Co-op, Inc.	2823 E Franklin Ave	55406	co-op	retail trade	consumer membership
Student Community Co-op	315 27th Ave SE	55414	co-op	unknown	unknown
Sun Machine Music and Arts Cooperative	909 27th Ave NE	55418	co-op	arts, entertainment, and recreation	unknown
Target Corporation Credit Union	P.O. Box 581426	55458	state C.U.	financial	consumer membership
Terraluna Collaborative	3017 10th Ave S	55407	co-op	professional services	worker membership
The Hub Bike Co-op	3020 Minnehaha Ave S	55406	co-op	retail trade	worker membership
Thoughts of Light Publishing	940 44th Ave NE, P.O. box 21121	55421	co-op	arts, entertainment, and recreation	unknown
Transit Operations Federal Credit Union	725 N 7th St	55411	501(c)1	financial	consumer membership
Wedge Community Co-op, Inc.	2105 Lyndale Ave S	55405	co-op	retail trade	consumer membership
Wirth Cooperative Grocery	1835 Penn Ave N	55411	co-op	retail trade	consumer membership
Whole Builders Cooperative	2928 5th Ave S	55408	co-op	construction	worker membership
Xylos, Ltd.	3020 W 50th St	55410	co-op	retail trade	worker membership

MINNEAPOLIS COOPERATIVES

by Industry



by Membership Type





REGISTERED OFFICES (37 firms)

- Operating elsewhere
- Site of law firm or compliance company
- Mostly out-of-state firms using favorable co-op law

CREDIT UNIONS (financial cooperatives)

- 19 locations
- 6 main offices
- 13 branches from CUs elsewhere in MN

Minneapolis based CUs

- 13,666 members
- Assets of \$108 million

CUs with any office in Minneapolis

- 668,007 members
- Assets of \$9.1 billion

HOUSING COOPERATIVES (35 firms)

- Apartments & multi-family homes
- Mostly in South Minneapolis
- Various purposes and structures (i.e. access, affordability, wealth building)



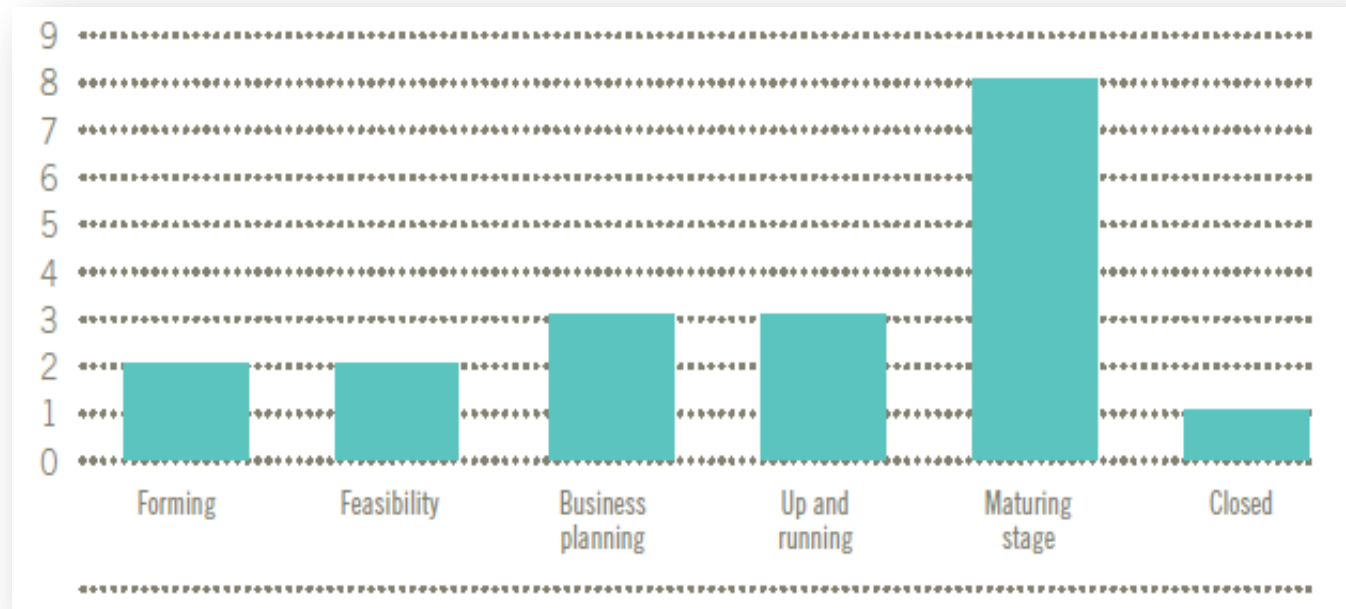
SEVEN (7) ORGANIZATIONS SUPPORTING 20 CO-OPS

Latino Economic Development Center	1501 E Lake St	Minneapolis	MN	55407
Agua Gorda Cooperative		Long Prairie	MN	
La Familia Cooperativa		Owatonna	MN	
Venture Academy	315 27th Ave SE	Minneapolis	MN	55414
Student Community Co-op		Minneapolis	MN	
Headwaters International	2801 21st Ave S	Minneapolis	MN	55407
Cooperative Coffees, Inc.		Americus	GA	
PRG, Inc.	2017 East 38th St	Minneapolis	MN	55407
Dovetail Cooperative		Saint Paul	MN	
Arbor Commons Cooperative		Saint Paul	MN	
Linden Place Cooperative		Saint Paul	MN	
The Maples Cooperative		Saint Paul	MN	
New Village Cooperative		Saint Paul	MN	
Common Properties Management Cooperative	219 Main St SE	Minneapolis	MN	55414
Sunrise Villa Cooperative		Cannon Falls	MN	
Old Town in Town Cooperative		Minneapolis	MN	
Park Plaza Cooperative		Fridley	MN	
Alpine Court Cooperative Association, Inc.		Eagan	MN	
Ebenezer Management Services	2722 Park Ave S	Minneapolis	MN	55407
Calvary Center Cooperative		Golden Valley	MN	
Realife Cooperative of Burnsville		Burnsville	MN	
Riverton Community Housing	425 13th Ave SE	Minneapolis	MN	55414
4th Street Student Housing Cooperative, Inc.		Minneapolis	MN	
Franklin Student Housing Cooperative, Inc.		Minneapolis	MN	
Marcy Park Student Housing Cooperative, Inc.		Minneapolis	MN	
Marshall Student Housing Cooperative, Inc.		Minneapolis	MN	
The Chateau Student Housing Cooperative, Inc.		Minneapolis	MN	

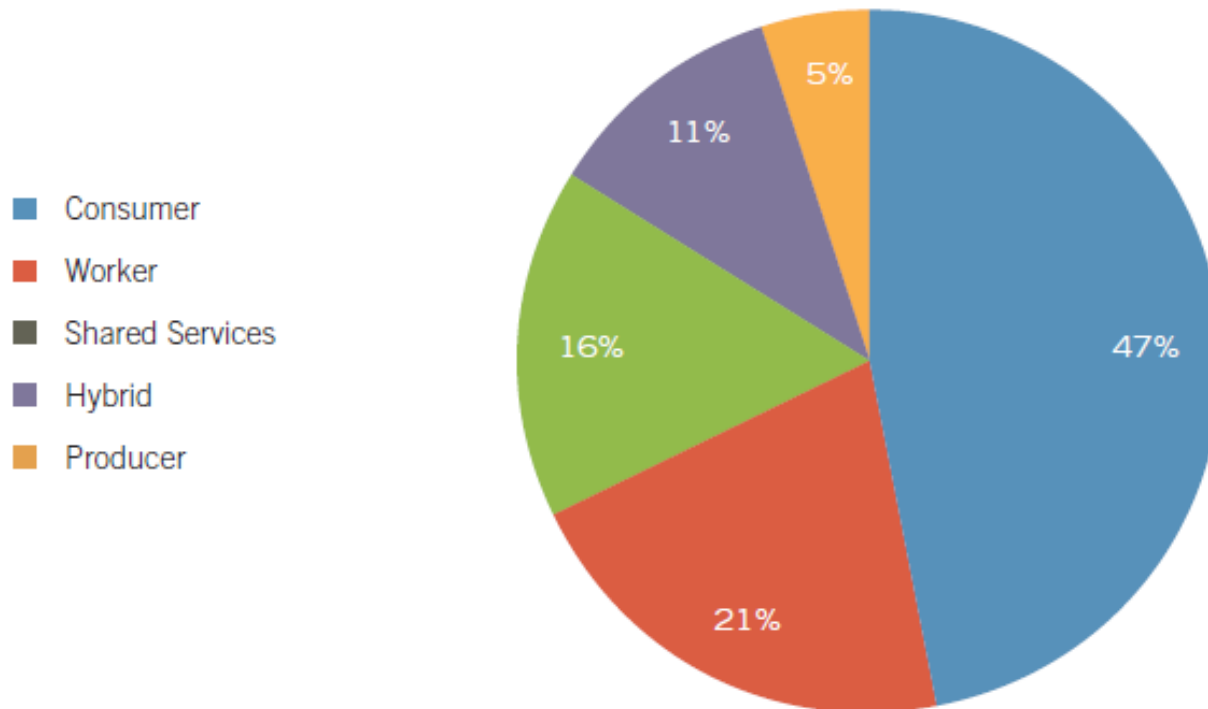
SURVEY OF MINNEAPOLIS CO-OPS

Emily Anderson

SURVEYED COOPERATIVES BY DEVELOPMENT STAGE



SURVEYED COOPERATIVES BY TYPE



LOCATIONS OF SURVEYED COOPERATIVES

- Northeast Minneapolis (5)
- North Minneapolis (3)
- South Minneapolis (2)
- West Bank Minneapolis (2)
- St. Paul Headquarters (2) (with significant % of members/customers in Minneapolis)
- Multiple Minneapolis Locations (1)
- Cyberspace Headquarters (1)

INDUSTRIES

- | | |
|--|-------------------------------------|
| • Creative and Collaborative Arts & Teaching | • Retail and Wholesale |
| • Community Investment | • Brewing/Brew Pub |
| • Tree Nursery | • Screen Printing |
| • Healthcare Alternatives | • Foodservice/Café |
| • Property Management | • Building and Remodeling |
| • Retail Grocery | • Retail Bike Sales and Repair. . . |
| • Importing | |

SURVEYED COOPERATIVES BY NUMBER OF MEMBERS

Range	Number of co-ops
100 members or less	12
Between 100 and 500	5
Over 500 members	2
Average members	455

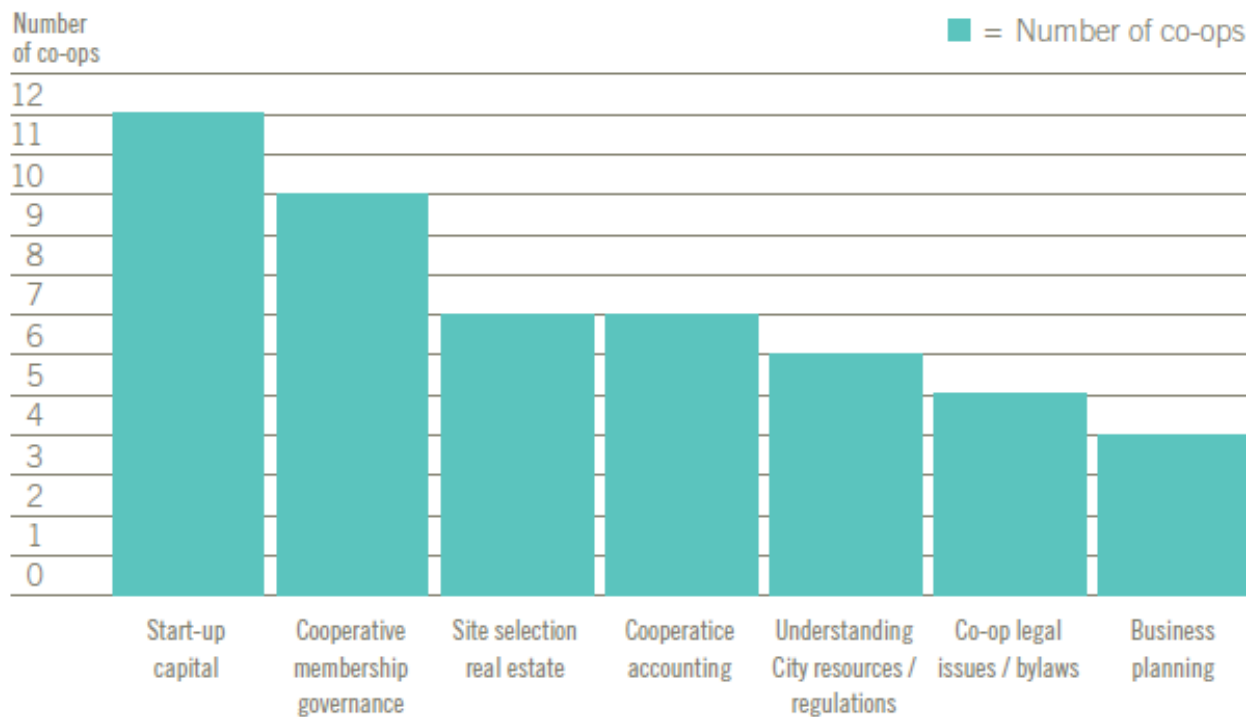
SURVEYED COOPERATIVES BY NUMBER OF JOBS

Range	Number of co-ops
Fewer than 10 employees	9
Between 10 and 50 employees	4
Over 50 employees	2
N/A	5
Average employees	27

COOPERATIVE ORIGINS AND DEVELOPMENT PROCESS

- Alliances to build healthy and sustainable communities
- Inspired global vision and connections
- Worker owned start-ups
- Workers become worker-owned through conversion of existing businesses
- Alliances to build community strength, equity and influence / fostered by support organizations or developers

COMMON CHALLENGES FOR DEVELOPING COOPERATIVES



OVERVIEW OF TECHNICAL ASSISTANCE NEEDS OF DEVELOPING CO-OPS

84% of the interviewed cooperatives sought and found necessary technical assistance in at least one aspect of development.

75% of the cooperatives seeking help encountered difficulty getting the needed assistance in one or more areas.

74% of cooperatives interviewed identified at least one area in which they expected to seek assistance in the near future.

FAIR STATE BREWERY COOP

Matt Hauck, Director of Operations



“Our goal is to put the natural connection between brewer and community to work to create something that truly belongs to us all. Creating infinite community and quality craft beers.”

Fair State Brewing Cooperative
2506A Central Ave NE
Minneapolis, MN 55418

Source: [//fairstate.coop/](http://fairstate.coop/)



INTRODUCING: COOPERATIVE TECHNICAL ASSISTANCE PROGRAM (C-TAP)

Daniel Bonilla, City of Minneapolis

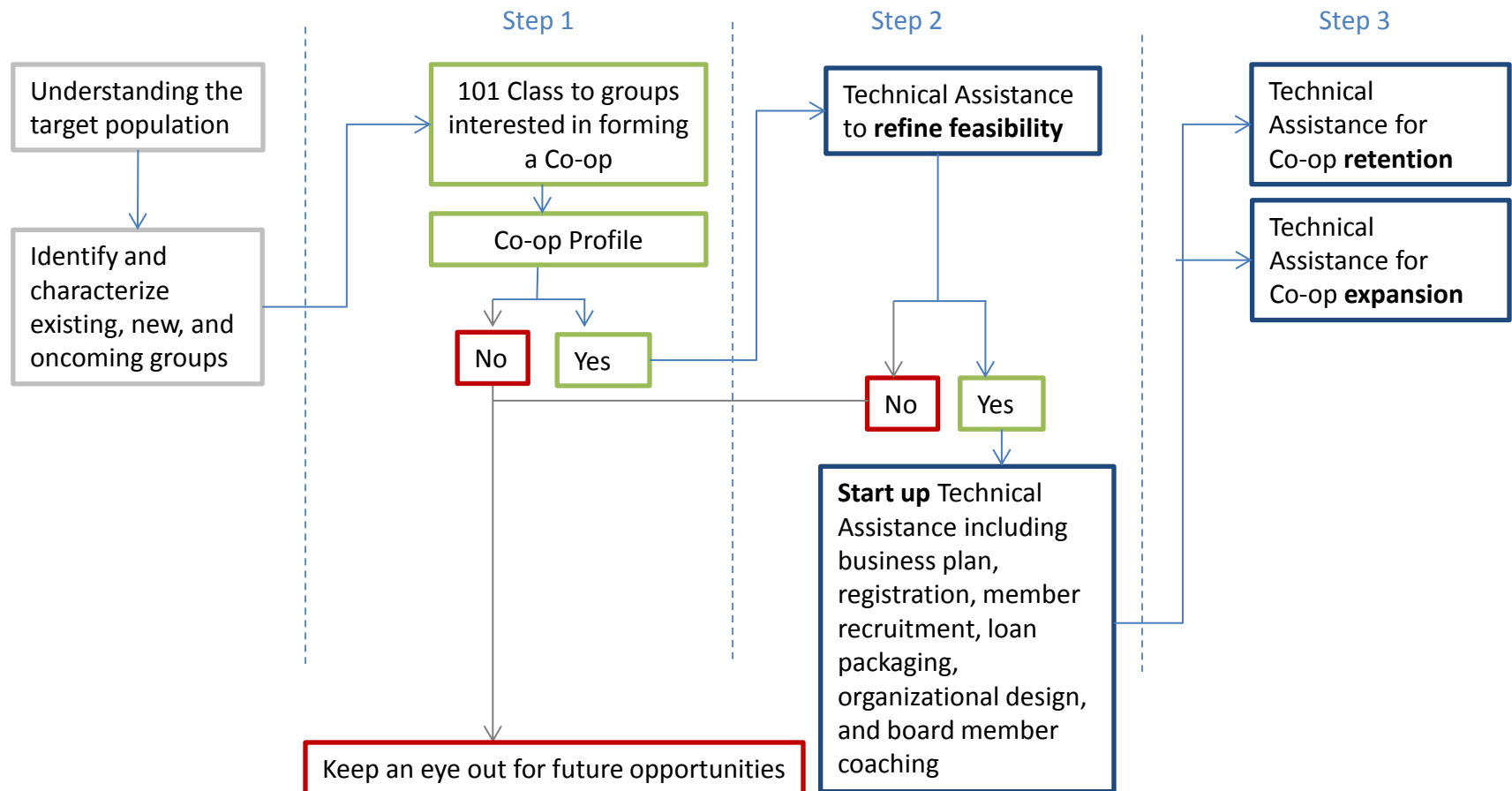
Program design:

- **STEP1: Co-op readiness-planning:** a 101 class for those groups that are thinking of forming a co-op and need to get a clear picture of the legal, operational and organizational requirements. The topics, duration and training provider will be determined (2015 - 2016)
- **STEP 2: Technical assistance to redefine feasibility:** Existing co-ops and participants of the “co-op readiness training” may be eligible to receive one-on-one technical assistance to design their organizational structure, including business plan, registration member recruitment, loan packaging, organizational design, and board member coaching (2016- 2017)
- **STEP 3: Co-op Retention and Expansion:** Once the co-op is up and running, business consulting services will be provided to design systems to make the organization profitable (2017-2018)



Cooperative Development Model

CO-OP TECHNICAL ASSISTANCE PROGRAM



CO-OPS FEASIBILITY CLASS

CO-OP TECHNICAL ASSISTANCE PROGRAM

Are you interested in Starting a Cooperative in the City of Minneapolis?

The City of Minneapolis is offering a class for groups interested in creating a cooperative. The class will equip the participants with tools to evaluate their co-op idea and/or to refine their model for those that are already in the process of incorporation.

When: Every Wednesday from May 11 to June 29, 2016

Time: 5:00 p.m. – 7:00 p.m.

Place: City of Minneapolis Innovation Center
Crown Roller Mill Building, 105 5th Ave S. #150,
Minneapolis, MN 55401

For more information: [C-TAP](#) (Co-op Technical Assistance Program)



A program of:
BUSINESS TECHNICAL ASSISTANCE PROGRAM
Supporting Business Growth in the City of Minneapolis



MOBILIZE DESIGN



LA LOMA



THANK YOU!

Next: RECEPTION AND NETWORKING

- **Happy Hour** sponsored by Cooperative Development Services (CDS)

